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SUBJECT: NEW HEALTH WARNING LABEL FOR WINE AND SPIRITS

REFS: A. 06 Moscow 9824
[1](#)B. 06 Moscow 12348

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ACCORDINGLY.

[1](#)1. (SBU) SUMMARY: A new label for bottles of wine, vodka, and other spirits warns consumers of the dangers of alcohol consumption by certain vulnerable groups, including minors, pregnant women, and nursing mothers. The government is delaying enforcement of the new law and giving producers and distributors time to comply, which should avoid most of the chaotic supply disruptions that followed last summer's implementation of a new excise stamp system for wine and spirits. From a health perspective, the new warning label is unlikely to have any effect on drinking habits or contribute to improving public health, and, from a trade perspective, it has led to confusion among retailers and domestic and foreign producers.
END SUMMARY.

[1](#)2. (U) As of February 1, producers of wine, vodka and other spirits must affix a label to all bottles warning consumers about the dangers of alcohol consumption to minors, pregnant women, and nursing mothers, and those with diseases of the nervous and digestive systems, the liver, and kidneys. Previously, generic labels were required, but there was no agreement on the standard language. The government only approved the new specific wording on January 19, so producers and distributors had trouble meeting the February 1 deadline. Chief Medical Officer Gennadiy Onishchenko, who is also the head of the Federal Supervision Service for Consumer Rights and Human Well Being (Rospotrebnadzor), stated in an information letter on his web-site January 30 that, as long as some form of health alert was affixed, inspectors would not remove bottles from circulation for the time being. Various Russian Ministries have intervened publicly since Rosprotrebnadzor announced the label change, objecting to the label's wording and its introduction.

Dubious Public Health Measure

[1](#)3. (SBU) From a public health perspective, it is laudable that the government is pointing out the dangers of drinking to certain vulnerable groups. We suspect the government also wanted to take some action to combat the dangers of alcohol poisonings, which

received much public attention in 2006 (Reftels). However, the new regulation contains a huge loophole, in that no health warnings are required for bottles of beer. (Note: The beer industry has blocked several legislative proposals put forward by the vodka lobby to treat beer like other alcoholic beverages. Beer is currently classified as a soft drink. End Note.) There is also no minimum size for the health warning, and many of the labels we have seen on store shelves would be difficult to read without a magnifying glass.

14. (SBU) Russia's leading expert on alcohol and public health, Dr. Aleksandr Nemtsov of the Moscow Institute of Psychiatry, told us the new label is unlikely to have any significant impact on societal drinking habits. He noted that similar health warnings on tobacco products have not significantly changed smoking patterns in Russia. He regretted that cardiovascular diseases were not mentioned on the warning label, since those illnesses are the main health consequence of drinking. In his view, the Ministry of Health and Social Development developed the label language without consulting experts.

Onishchenko Weighs In on Beer, Health and Labeling

15. (SBU) In a candid meeting February 7, Onishchenko acknowledged the new label would have a minimal impact on people's behavior. He also expressed his deep disappointment beer is not treated like other alcoholic beverages. He characterized the beer industry as an "irresponsible business," noting that some beer contains as much as 16 percent alcohol, though "natural" beer production should never result in a product containing more than six percent alcohol. He also observed that alcoholism from beer drinking was a serious problem in Russia. Despite his health-based arguments to regulate beer, he had only succeeded in convincing the government to introduce a limited ban on television advertising for beer products, which now can only be shown after ten in the evening.

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16. (SBU) Onishchenko stated the alcohol industry had been trying to stir up scandal in the implementation of the new health warning label. He noted he had met with the association of alcohol producers to discuss how best to transition to a new labeling system. Producers had stated they would need six months to comply, and Rospotrebnadzor had explained producers could continue to use the old health warning labels in the interim. He did not anticipate any supply disruptions for domestic product. Dr. Onishchenko showed no awareness about imported products and did not consult that market sector before acting, even though Russia imports \$1.2 billion in alcohol annually. While domestic producers were warned in advance that a six month changeover time would be acceptable, Rospotrebnadzor did not publicly announce the implementation delay, and importers were left in the dark.

Confusion for the Alcohol Market

17. (SBU) It is welcome news that the government appears willing to grant producers and distributors time to comply with the new law to minimize possible supply disruptions like those last summer that followed the chaotic implementation of a new excise tax stamp system for wine and hard alcohol (Reftels). Russia continues to regulate alcohol inconsistently, with insufficient communication and coordination among customs, economic, agriculture, justice and health ministries. Embassy industry contacts have no clear guidance on applying the new laws. Despite GOR statements that implementation of the new law will be delayed, wholesalers report to us that retailers are asking that bottles carry the new labels, out of fear that local officials will levy fines against them and confiscate bottles. Unlabeled alcohol was removed from some store shelves last week, but has returned over the last few days.

18. (SBU) If Russia were a WTO member, the implementation of the health label law arguably would be inconsistent with the Technical Barriers to Trade Agreement, including the notice and comment provisions. It will be more difficult for foreign producers to

comply with the new regulation, since they will either need to segregate production destined for Russia and affix the new label at the point of production or an intermediate storage warehouse, or unpack and label bottles after they have been shipped to Russia.

19. (SBU) Comment: Confusion in the alcohol market is likely to continue in 2007. The Duma has announced it will consider a new alcohol monopoly, and it may include some additional regulation of retail sales. Trade contacts are preparing themselves for further shocks from this proposal. Russia continues to set alcohol policy without sufficiently considering how these changes will affect foreign products.

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